THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

NFAC #1365-81 11 March 1981

MEMORANDUM FOR: Acting Director of Central Intelligence

VIA

: Acting Deputy Director for National Foreign Assessment

Chairman, National Intelligence Council

FROM

Acting National Intelligence Officer for USSR-EE

SUBJECT

: Comments on State Terms of Reference on East-West

Relations and on JCS Comments on the Terms of Reference

Terms of Reference on East-West Relations [Tab A]

The State Terms of Reference provide a comprehensive framework for the discussion and formulation of US policies in the context of East-West relations, and the basis for future tasking. The following observations are important:

- -- As presently conceived and structured the document provides no clear sense of overall <u>US objectives</u> vis-a-vis the Soviets, or of US objectives in specific areas of US-Soviet engagement. With their emphasis on countering the Soviets and the extension of Soviet influence more effectively, the Terms of Reference implicitly set the stage for an essentially reactive US approach.
- -- The key questions are what US policies can best influence Soviet behavior, to what extent, and by what means. This question turns in large part on our assessment of Soviet perceptions of their own vulnerabilities, and of US-Soviet overlapping interests in virtually all of the areas noted in the Terms of Reference.
- -- The inclusive nature of the Terms of Reference might now be disaggragated to provide a better and more precise analytical focus for addressing the issues.
- -- While the East-West context in which US policy is to be addressed may be the prevailing consideration, some caution should be exercised in casting the issues too narrowly as East-West issues. Most have a life and dynamics of their own.

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Comments on JCS Response to Terms of Reference [Tab B]

- -- The JCS accepts the existing focus and the scope of the Terms of Reference.
- -- JCS suggests sequential process for initiating an orderly and manageable approach to policy formulation on East-West relations:
 - identify priority issues in East-West relations and address them individually.
 - establish policy objectives for each issue.
 - develop specific policies on long term issues and immediate problems
 - develop specific strategies in each case.
- -- JCS offers more detailed comments on the Terms of Reference themselves. Two of the most important are:
 - Para 6: JCS suggests rightly that an assessment of US strategic objectives should come before an assessment of force improvement priorities.
 - Para 10: on the Priority Problems, JCS suggests adding the Persian Gulf which was apparently ommitted. (Consideration of the Persian Gulf problems should also be linked to US and Soviet policies on the Israeli-Arab dispute.)

Relevant National Intelligence Analysis

The following relevant estimative work is completed, underway or proposed:

Soviet-Related Estimates Completed	25X1
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Soviet-Related Estimates Now Under Way		
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	and the	
Soviet-Related Estimats Planned But Not Yet Under Way		
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